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<b>DISPATCH</b>		CLASSIFICATION <b>Secret</b>	DISPATCH SYMBOL AND NO. <b>OSSA-8835</b>
TO	Chief, SR	HEADQUARTERS FILE NO.	
INFO	Chief, WE	[ ]	
FROM	Chief of Station, [ ] <i>DOJ</i>	DATE <u>31 July 1959</u>	
SUBJECT	REDWOOD/AEMARSH First Meetings with <u>AEMARSH/15</u>	RE: "43-3" - (CHECK "X" ONE)	
ACTION REQUIRED	Re para 5, <u>Traces para. 3</u>	MARKED FOR INDEXING NO INDEXING REQUIRED INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY	
REFERENCE(S)			

1. With the aid of contact instructions left by [ ] met AEMARSH/15 the first time the evening of 17 July and has subsequently had two brief meetings with him. Certainly [ ] main impressions of A/15 coincide with those given by [ ] at Headquarters. A/15 seems an eager beaver, though at our first meeting a somewhat cautious one. A/15 soon made it clear that he had considerable feelings of frustration over the way he had been handled so far; no complaints about his former KUBARK case officers, but simply that his contact had been irregular and at times altogether lacking with the result that many opportunities were missed. A/15 admitted that he was by nature an impatient person who worked best at "full-speed ahead". When Major Hazners had asked A/15 to work at this business shortly before the former's departure for the U.S., A/15 was enthusiastic to do so both out of loyalty to his friend and former military comrade and also because he wanted to work actively against the Soviet regime occupying his homeland. This was over two years ago and frankly, A/15 said, he was dissatisfied at the little which had been accomplished during that period. He said he would tell me as he had told [ ] that he was unwilling to continue indefinitely in such an indecisive way. If some decision were not forthcoming soon on Iden A of OSSA-8692 and Iden B of OSSA-8580, he would feel unable to continue working with us. On this point it should be understood by Headquarters that A/15 was not pressing for a favorable decision regarding the covert use of these two particular men--though A/15 obviously feels confident of their reliability and potential usefulness--but was using them merely to illustrate the general point that he will not go on indefinitely waiting for decisions from "stabben" (as he calls Headquarters) that never seem to materialize.

2. [ ] was, frankly, pleasantly impressed by the novel and refreshing experience of having an agent threaten to quit. A/15 had probably rehearsed beforehand the main points he wished to register with his new case officer, though this is not to imply that he was insincere or trying them on merely for effect. In response to all this, [ ] first of all assured A/15 that barring unforeseen accidents he could look forward to seeing [ ] regularly, as often as was necessary to conduct our business in a secure and effective way. I explained to him that [ ] was not my true name; that I was at the Embassy and he could in any event probably learn my true name if he were interested, but I would appreciate it if he would not be interested. We worked out an emergency contact arrangement using both mail and telephone depending upon the circumstances. Finally I spent considerable time trying to give him an idea of the extent to which the situation vis-a-vis "stabben" would improve. I was confident that my continuing contact with him on a regular basis would help a great deal. On the other hand it was essential he understand there were times when he and I could move on our own initiative, so to speak, and times when reference to "stabben" would be essential. As an example of the latter, I pointed out that in questions of security and name checks, Headquarters would brook no compromise and properly so. There were also matters of technical and material support in which it was to our advantage to rely on Headquarters. All in all, I felt that the situation would improve to his satisfaction, though it was well that he appreciate now that things would, in all probability, never move as quickly as he might like. A/15's attitude at the conclusion of the philosophic interlude was: "Fine! I'll wait and see."

3. One of the requirements left with A/15 at the time of [ ] departure was to examine the situation regarding Latvian seamen who travel regularly to Sweden. At [ ] second meeting with A/15 on 22 July he said he had determined that the only Latvian ship which called regularly at Stockholm

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CONTINUATION OF  
DISPATCH

CLASSIFICATION  
Secret

DISPATCH SYMBOL AND NO.

OSSA-8835

was the Kemery. This is listed in the attachment to the SR Field Requirements Notice No. 15, dated 17 July. The Kemery, according to A/15, comes into Stockholm's Frihamn about every ten days and remains for about two and a half or three days. It seems that A/15's overt employer occasionally has cargo on the Kemery as well as many other ships which come into Stockholm and that one of A/15's duties is to act as cargo expediter. He, therefore, has regular access to the docks in the Frihamn and can nose around without arousing attention. At our latest meeting (primarily to give A/15 1200 Sw. Kr. for parcels to be sent to Latvia) he reported the following names of crew members on the Kemery:

- a. BUTERELJS, Nikolai - ship's master - born in 1925
- b. GRAUZIN, Franz - cook - born in 1928
- c. LACHKAIS, Izak - position unknown - born in 1925
- d. LAPIN, Artur - engine hand - born in 1936
- e. MOZGA, Peter - position unknown - born in 1936
- f. PASTERS, Arnolds - chief engineer - born in 1926
- g. SIMUTIS, Peter - third mate - born in 1936
- h. ZAKIS, Gunnar - engine hand - born in 1939

these names were obtained by A/15 from copies of crew manifests which he is able to look at in the Frihamn. Obviously the names are just bare bones at the moment and the next step will be to devise a way for A/15 himself or through a cutout to get enough information to permit a reasonable assessment of one or several of the Kemery crew members. [ ] has stressed to A/15 that the odds are probably not very good of finding a suitable intelligence recruit from among such a crew in light of the fact that they are presumably well screened for reliability by the home authorities, coming out regularly as they do to the West. Nevertheless, we would like to explore this avenue further both from the standpoint of the REDSKIN potential represented by the Kemery crew and possibly, if a really suitable recruit can be found, of the possibility of using one of them as a courier in support of internal agents. Headquarters traces are requested on the names, a-h, above. There are no Station traces.

4. [ ] next meeting with A/15 will be sometime during the last week in August, when A/15 returns from his vacation. At that time we feel it is desirable, if not essential, to be in receipt of Headquarters traces on the Identities A and B of OSSA-8692 and of OSSA-8583 as well as Headquarters views as to whether and how <sup>these</sup> people inside Latvia may be used operationally. Despite A/15's confidence in the open mails for purposes of determining general moods and situations and the frame of mind of certain of these potential internal assets, he agreed with [ ] that any attempt to employ these people at serious intelligence tasks will require some more intimate communication than his present system affords; moreover, that we were obliged on several grounds to be sure that any given person inside whom we were considering for operations was not only willing but was also able to obtain information sufficiently important to justify the risks of clandestine operations. Specifically this point came up when A/15 was developing his theory that since we were extremely interested in such military matters as ships, rockets, submarines, electronics, etc., the best people to know about such things were, therefore, his ex-army friends who were, after all, military men themselves. [ ] said merely that we would not generalize, but would treat each case on its own merits; he could not help adding, though, that A/15's military friends who had been away in Siberia for 10-12 years were presumably very much out of touch with the current military situation in Latvia.

5. As we see it, the immediate problem--assuming Headquarters is interested in working toward the recruitment of one or both of the men inside--is arranging a personal assessment of them. A/15 discounts the possibility of their traveling out to the West for at least a year and maybe not then. A/15 himself is not keen about going in, though [ ] feels he could be.

CONTINUATION OF  
DISPATCH

CLASSIFICATION

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brought around to it, particularly if the present liberalizing trend in travel between Sweden and Latvia continues. Whether it would be secure for him to do so is another question. The alternative, seems to be to find a third person capable of contacting, assessing and recruiting one of A/15's inside contacts, A/15 having provided a letter of introduction, or some appropriate means of establishing bona fides. In either way, A/15 personally or through a third person, we should try for a meeting outside of Riga, possibly in Leningrad. All things considered, we favor trying to send A/15 himself, mainly because his bona fides would be least questionable to the contact inside and his chances would be best of getting the truth from his friend as to whether the RIS was already in the picture. At the next meeting with A/15 we will see whether it may be possible for him to be sent on some business by his company to Riga or Leningrad. In the meantime we would like to have Headquarters reaction to this general proposal regarding the development of A/15's current contacts in Latvia.

30 July 1959

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